



Date: August 22, 2006
To: Gerald R. Miller, City Manager *summarize for*
From: Michael A. Killebrew, Director of Financial Management *MAK*
For: Mayor and Members of the City Council
Subject: Responses to August 15, 2006 Budget Workshop Requests for Information

The purpose of the following memo is to provide responses to questions raised by the City Council during the August 15, 2006 Budget Workshop.

1) What is the purpose of the Police Department's proposed Organizational Review Unit and why is it not being staffed by civilian employees?

The Police Department's proposed Organizational Review Unit (ORU) is designed to conduct routine and special assessments/audits of operations throughout the Department to evaluate the level of policy/procedural compliance and identify both best-practices and shortcomings. The findings of the ORU will be presented to the Commander/Administrator of the evaluated division to allow development of a plan to implement best-practices and/or to mitigate any shortcomings. The ORU will then present findings to the Chief and Deputy Chiefs, along with the Division's mitigation plan.

The ORU will also have the principal staff responsibility for the oversight of compliance with the Asset Inventory and Management System. They will conduct random inventory spot checks of physical inventory, evidence custody records and control procedures, in order to better assure accountability for and accuracy of critical records.

The ORU will also be available to visit other Police agencies to gather first-hand information on relevant best-practices in law enforcement to consider for adoption by the Department.

Chain of Command: The ORU will report directly to the Internal Affairs Division Commander. The unit is proposed to be staffed by a Police Lieutenant and a Sergeant who will bring as part of their expertise their years of experience and training in law enforcement and police procedures. This experience could not be provided by a civilian. Staffing at the Lieutenant and Sergeant level provides the ORU with the seniority and credibility that will allow it to get the cooperation needed to conduct procedural and policy reviews.

2) *What is the breakdown of the \$200,000 that is being allocated for Pine Avenue cameras and is there a plan to install cameras in various parks around Long Beach in FY 07?*

The following is the proposed budget associated with the Pine Avenue camera staffing plan.

Staffing	\$140,000
Utilities	6,000
Misc Supplies	4,000
System Maintenance	50,000
	<u>\$200,000</u>

The Parks, Recreation and Marine Department is researching the possibility of expanding the surveillance camera system to other areas.

3) *How are standing water problems factored into street project priorities?*

Standing water is a factor of faulty drainage (i.e., curbs and gutters). When a street is resurfaced, any damaged curb and gutter along the street is also replaced. Street work is prioritized based on many factors, including upcoming utility work, general pavement conditions, as well as existing curb and gutter damage.

4) *What does the outstanding storm drain improvement needs assessment look like?*

Per the master storm drain plan which was updated this year, the City needs \$29 million to upgrade existing storm drains which are undersized, \$76 million to construct additional needed storm drains, \$7.5 million to replace aging corrugated metal pipe storm drains, and \$1.5 million in storm drain pump station repairs. Approximately \$7 million has been allocated (including Redevelopment) toward storm drains for FY 07. FY 07 funding is proposed to be used to address critically needed pump station repairs, to repair catch basins, to design a new storm drain retention facility for Arlington Street, and to provide matching funds for the federally funded Atherton Drain project.

5) *Will there be a slurry seal program for FY 07?*

Yes, in the FY 07 Proposed Budget there is a modest slurry seal program included in the street repair program. As in FY 06, the continuing focus of the

street repair program will be to address candidate streets for overlay treatment, which is a structural rehabilitation that significantly extends the useful life of the street.

6) *What are the projects for the proposed \$1.4 million in General Fund storm drain & other improvements?*

Arlington Drain Project (\$150,000)
Additional Critical Storm Drain Repairs (\$500,000)
Painting and Repairs at Bay Shore and Burnett Branches (\$95,000)
Fire Station Gender Separation Improvements (\$100,000)
Health Lab HVAC Replacement (\$150,000)
Emergency Blair Field Electrical Improvements (\$390,000)

7) *Are alleys included in the street improvement program?*

Currently, there are no alleys included in the street improvement program.

8) *How are alleys that function as small streets (e.g., have addresses and serve as primary access) handled in the street rehab program?*

Due to the way certain small alleys function as primary access to residences, staff considers them to be streets and therefore they are prioritized as if they were standard residential streets.

9) *How is the priority for industrial local streets handled compared with residential streets in determining rehabilitation projects?*

Local streets serving industrial areas are captured in the City's pavement management system and prioritized in the same manner as residential streets.

10) *How is annual sidewalk funding divided?*

Solely because of City Council direction, the annual \$3 million allocation is divided equally among the nine City Council Districts.

11) *How are staffing and equipment resources balanced against traffic needs?*

Public Works has been working aggressively to fill vacant positions and to upgrade equipment necessary to have reliable service delivery. The Traffic Maintenance Program is now fully staffed for the first time in several years. In addition, two striping trucks were replaced in FY 06 and two aging stencil

trucks will be replaced in FY 07. While the backlog of work still exceeds the staffing resources, the program is better positioned to begin working down the backlog of traffic maintenance work going into FY07.

12)How are board-ups handled for cost recovery?

The Department of Public Works does not recover costs for most of this type of work done at the request of the Police Department. The creation of a proposed law violators cost recovery program may improve cost-recovery in this area.

13)Please provide a summary of the Dog Ordinance Enhancement.

On March 7, 2006, Long Beach City Council adopted a new dog-breeding ordinance. The ordinance, established with input from both the dog breeding and animal rescue communities, supports responsible dog breeding while curtailing irresponsible breeding that results in the euthanasia of thousands of animals a year. Thorough investigation of illegal animal breeding and strict enforcement of ordinance restrictions are critical to the success of this program. As such, a proposal is put forth to add an Animal Control Officer II and a Public Health Associate II to manage this program.

To support the program, several existing Animal Control fees will be raised and new fees established in FY 07, and are expected to cover all direct and indirect program costs.

14)What does the Mayor's Library Enhancement provide the community?

BRANCHES

<u>Current 2006 Level</u>	<u>Open Hours Per Week</u>	<u>Proposed 2007 Level</u>	<u>Open Hours Per Week</u>
10 Branches - Open 4 days/week	27 hours (average)	-----	-----
1 Branch - Open 5 days/week	35 hours	8 Branches - Open 5 days/week	36 hours
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Note: 36-44 branch open hours per week = 33-63% increase in hours

MAIN

<u>Current 2006 Level</u>	<u>Open Hours Per Week</u>	<u>Proposed 2007 Level</u>	<u>Open Hours Per Week</u>
Main - Open 5 days per week	40	Main - Open 7 days per week	55

Note: 55 open hours per week at Main = 37.5% increase in hours

Funding in the amount of \$150,000 would also provide approximately 12,000 additional Homework Helper hours in the after-school and weekend homework assistance programs, which will be distributed among the 12 libraries based on need.

Funding in the amount of \$400,000 in the book budget will provide for the purchase of approximately 14,000 new materials (books and media) and additional electronic resources. Please note that the City Manager's proposed budget includes funding for the new Mark Twain Library in the amount of \$300,000 in the book budget that will provide approximately 12,000 in new materials (books and media).

15) *What is the history and future outlook related to the GASB 45?*

Financing the cost of retirement and other post-employment benefits (OPEB) presents an increasing challenge for state and local governments. To effectively measure future liabilities, the Governmental Accounting Standards Board (GASB) issued Statement No. 45, requiring that government agency financial statements disclose the projected cost of post-employment benefits such as health care, dental, vision life and disability insurance.

For the City of Long Beach, this unfunded liability is being analyzed by an independent actuary. The City does not provide lifetime medical coverage for its retirees; hence, its OPEB liability will be much lower than other governments that do provide such benefits. The City does however, provide limited coverage based on an employee's unused sick leave accruals at the time of retirement. The unused sick leave hours are converted into a cash account that can only be used by the retiree to continue purchasing medical coverage through the City's health plan. Though capped by the hours of unused sick leave an employee has, this benefit does create a future liability that the City recognizes must be reported in accordance with GASB 45 and for which plans to fund the liability must be established.

16) *What is the breakdown of the one-time proceeds from the sale of City Property?*

Of the \$10.7 million in proposed one-time revenue, approximately \$8.9 million will be generated from the sale of City Hall East (\$6 million), State Building (\$1.6 million) and Video Choice Property (\$1.3 million).

17) *Can the proceeds from the RDA Project Income Fund be tapped for any Citywide project area?*

The Project Income Fund is a special revenue fund of the Redevelopment Agency into which certain Agency revenues are deposited, including land sale proceeds, rental income and some loan repayments. This fund is important to the Agency because it does not have the same spending restrictions as bond proceeds and tax increment revenues. Primarily the money may be

used to pay for investments in redevelopment project areas including the construction of public improvements, the purchase of land, or to fund loans for facade or tenant improvements. For example, tax increment revenues must be used in the project area in which the revenues are generated with some very specific exceptions. However, land sale proceeds, for the most part, may be used for any purpose authorized by the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.).

18) What are the critical public safety facility needs?

On September 5 during the City Council Budget Hearings, a presentation will be made on the priority Public Safety Facility needs of the City. Examples include many of the City's fire stations and the East Long Beach Police substation.

19) Please provide a breakdown of the available unallocated General Fund resources in the City Manager's FY 07 Proposed Budget compared to the resources recommended to be utilized in the Mayor's Budget recommendations.

Proposed City Manager Budget		Mayor Foster	Proposed Source
\$	1,600,000	\$ 1,600,000	FY 07 Structural Surplus
\$	1,700,000	\$ 1,700,000	FY 06 Ending Fund Balance (One-time)
\$	700,000	\$ 700,000	Unallocated FY 07 One-time Revenue
		\$ 3,000,000	Sempra Settlement (One-time expected in FY 07)
		\$ 2,000,000	Additional Port-area Generated North Tax Increment
\$	4,000,000	\$ 9,000,000	

The City Manager's Budget identified \$4 million of ending fund balance that has not been allocated.

GRM:MAK:DW:gs
K:\BUDGET\FY 07\CC WORKSHOPS AND HEARINGS 07\AUGUST 15, 2006\RESPONSE TO CC QUESTIONS

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